



UNIVERSITY OF MISSOURI

BOARD OF CURATORS FINANCE COMMITTEE

FY2012 Financial Status Report
UM

September 13-14, 2012




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University of Missouri System
Advancing Missouri

University of Missouri
Board of Curators
September 13-14, 2012
Finance/Audit Committee


FY2012 Financial Status Report

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Financial Position Remains Strong & Sound

Statement of Net Assets Summary

	(\$ in millions)		Change	
	FY 2012	FY 2011	\$	%
Assets				
Current Assets	\$ 941	\$ 869	\$ 72	8 %
Noncurrent Assets	5,387	5,244	143	3 %
Deferred Outflows	31	19	12	63 %
Total Assets	6,359	6,132	227	4 %
Liabilities				
Current Liabilities	932	814	118	14 %
Noncurrent Liabilities	1,338	1,302	36	3 %
Total Liabilities	2,270	2,116	154	7 %
Net Assets	\$ 4,089	\$ 4,016	\$ 73	2 %

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Flat Investment Growth

Investments and Cash Equivalents

(\$ in millions)						
	2012			2011		
	Cash and Cash Equivalents	Short-Term & Long-Term Investments	Total	Cash and Cash Equivalents	Short-Term & Long-Term Investments	Total
General Investments:						
Short-Term Funds	\$ 273	\$ 1,178	\$ 1,451	\$ 167	\$ 1,265	\$ 1,432
Endowment Pool	16	246	262	14	294	308
Endowment Investments:						
Endowment Pool	62	982	1,044	45	969	1,014
Fixed Income Pool	4	74	78	2	70	72
Other	8	109	117	(7)	122	115
Total	\$ 363	\$ 2,589	\$ 2,952	\$ 221	\$ 2,720	\$ 2,941

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Leveraging Historically Low Cost Financing

Long-Term Debt Summary

(\$ in millions)			
	FY 2012	FY 2011	Change
System Facilities Revenue Bonds			
Current	\$ 121	\$ 249	\$ (128)
Noncurrent	1,085	1,119	(34)
Unamortized Premium and Loss on Defeasance	27	14	13
Total Bonds Payable	1,233	1,382	(149)
Commercial Paper - Current	161	-	161
Notes Payable	5	1	4
Capital Lease Obligations	7	8	(1)
Total Long Term Debt	\$ 1,406	\$ 1,391	\$ 15

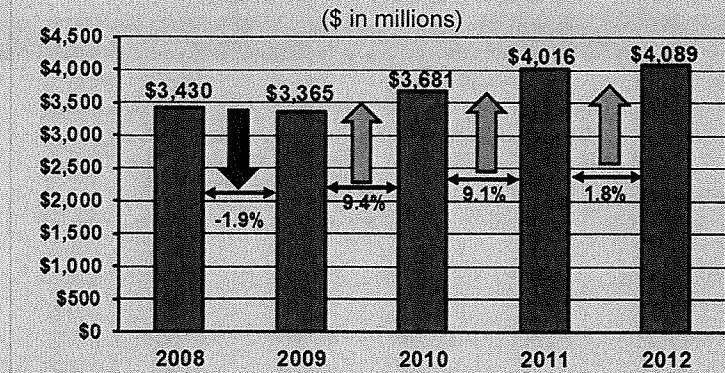
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Market Volatility Dampens Growth in Net Assets

Net Assets



Small But Continued Growth in Unrestricted Net Assets

Net Assets

(\$ in millions)

	FY 2012	FY 2011	Change	
			\$	%
Invested in Capital Assets, net	\$ 1,545	\$ 1,516	\$ 29	2%
Restricted:				
Nonexpendable	771	789	(18)	(2)%
Expendable	388	374	14	4%
Unrestricted	1,385	1,337	48	4%
Total Net Assets	\$ 4,089	\$ 4,016	\$ 73	2%

Increased Demand Increases Both Operating Revenues & Expenses

Statement of Revenues, Expenses and Changes in Net Assets

(\$ in millions)

	FY 2012	FY 2011	Change	
			\$	%
Operating Revenues	\$ 2,106	\$ 2,026	\$ 80	3.9%
Operating Expenses	2,659	2,531	128	5.1%
Operating Loss	(553)	(505)	(48)	(9.5)%
State Appropriations	398	438	(40)	(9.1)%
Operating Loss after State Approp.	(155)	(67)	(88)	(131.3)%
Net Nonoperating Revenues (Expenses)	122	352	(230)	(65.3)%
Capital and Additions to Endowments	64	50	14	28.0%
Special Item	42	-	42	0.0%
Increase in Net Assets	\$ 73	\$ 335	(262)	(78.2)%

MUHC Reports Healthy Operating Results

Health Care- Operations

(\$ in millions)

	FY 2012	FY 2011	Change	
			\$	%
Operating Revenues	\$ 657	\$ 617	\$ 40	6.5 %
Operating Expenses	640	609	31	5.1 %
Operating Income	17	8	9	112.5 %
State Appropriations	10	18	(8)	(44.4)%
Oper. Income after State Approp.	27	26	1	3.8 %
Net Nonop. Revenues (Exp.)	(2)	14	(16)	(114.3)%
Capital Additions, Contributions, and Transfers	2	7	(5)	(71.4)%
Increase in Net Assets	\$ 27	\$ 47	\$ (20)	(42.6)%

Retirement Plan Well Funded at 90% Funded Ratio

Retirement and OPEB Trust Funds

(\$ in millions)						
	2012 Retirement	2012 OPEB	2012 Total	2011 Retirement	2011 OPEB	2011 Total
Contributions & Other Revenues	\$ 88	\$ 41	\$ 129	\$ 70	\$ 44	\$ 114
Net Investment Income	35	1	36	442	-	442
Admin. costs & payments to retirees	(155)	(37)	(192)	(138)	(37)	(175)
Increase in Net Assets	(32)	5	(27)	374	7	381
Net Assets, Beginning of Year	2,714	45	2,759	2,340	38	2,378
Net Assets, End of Year	\$ 2,682	\$ 50	\$ 2,732	\$ 2,714	\$ 45	\$ 2,759

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability	Unfunded AAL/ (Excess Funding)	Funded Ratio	Annual Covered Payroll	UAAL (Excess) as a % of Covered Payroll
10/1/2009	\$ 2,843	\$ 2,820	\$ (24)	100.8%	\$ 970	(2.5)%
10/1/2010	2,852	2,961	109	96.3%	980	11.1%
10/1/2011	2,829	3,138	309	90.1%	1,032	30.0%

2012 Ratios Reflect Lower Growth in Net Assets

Financial Performance Measures

	2008	2009	2010	2011	2012	2011 Moody's Aa1
Primary Reserve Ratio	.54	.50	.62	.67	.66	.70
Viability Ratio	1.42	1.38	1.27	1.21	1.24	1.64
Return on Net Assets	3.2%	(2.3%)	9.2%	8.7%	1.8%	10.4%
Net Operating Revenue	4.0%	6.0%	7.7%	5.1%	2.7%	5.1%

Moody's Institutional Peers

Aa1 Rated Institutions

Michigan State University
North Carolina State University
Ohio State University
Pennsylvania State University
State University of Iowa
University of California
University of Delaware
University of Kansas
University of Minnesota
University of Missouri System
University of Nebraska
University of Pittsburgh
University of Maryland
Virginia Tech

Selected Aa2 Institutions

Auburn University
California State University
City University of New York
Clemson University
Florida State University
Iowa State University
Kansas State University
New Mexico State University
Rutgers, The State University of New Jersey
State University of New York
Texas State University System
Texas Tech University System
University of Alabama
University of Alaska
University of Arizona
University of Arkansas
University of Colorado
University of Connecticut
University of Florida

Selected Aa2 Rated

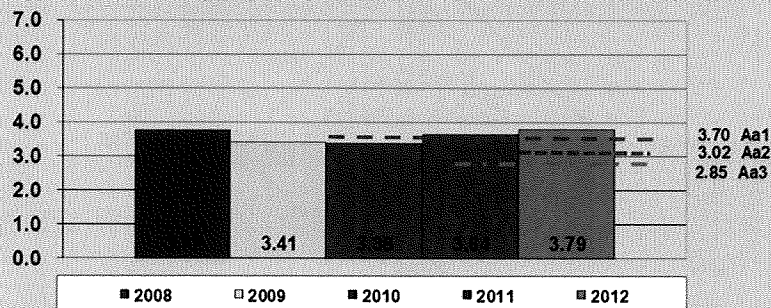
University of Georgia
University of Hawaii
University of Houston System
University of Illinois
University of Kentucky
University of Massachusetts
University of New Mexico
University of South Carolina
University of Utah
University of Wyoming
Vanderbilt University
Virginia Commonwealth University
Washington State University

Other SEC Institutions

University of Mississippi (AA-)
Mississippi State University (A+)
Louisiana State University (A1)
Texas A&M University (Aaa/AA+) *

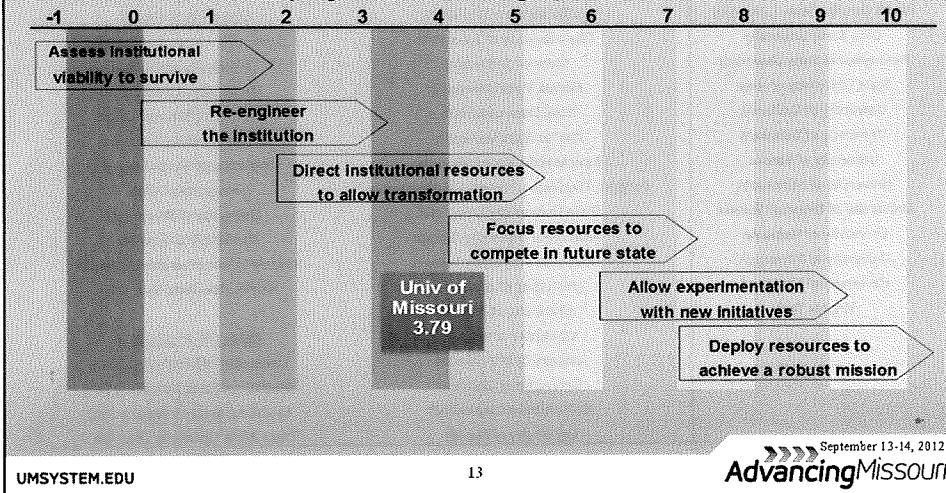
Exceeding the Benchmark

UM Three-Year Average Composite Financial Index Five-Year Trend



Financial Strength Provides Flexibility to Make Strategic Investments

Scale for Charting Composite Financial Index Performance (3 year average)



Well Capitalized w/ Increasing Debt Load & Good Operating Results

UM Composite Financial Index Graphical Profile

